

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
SOUTHERN DIVISION

In re:	§
	§
PROPEX INC.,	§ Case No. 08-10249
PROPEX HOLDINGS INC.,	§ Case No. 08-10250
PROPEX CONCRETE SYSTEMS CORPORATION,	§
PROPEX FABRICS INTERNATIONAL	§ Case No. 08-10252
HOLDINGS I INC.,	§
PROPEX FABRICS INTERNATIONAL	§ Case No. 08-10253
HOLDINGS II INC.,	§
	§ Case No. 08-10254
<i>Debtors.</i>	§
	§
	§ Chapter 11
	§
	§ Jointly Administered Under
	§ Case No. 08-10249
THE OFFICIAL COMMITTEE OF UNSECURED	§
CREDITORS OF PROPEX INC. <u>ET AL.</u> ,	§
<i>Plaintiff,</i>	§ Adv. Pro. No. 08-01136
	§
v.	§
	§
BNP PARIBAS, AS ADMINISTRATIVE AGENT	§
UNDER THE CREDIT AGREEMENT DATED AS OF	§
JANUARY 31, 2006.	§
	§
<i>Defendant.</i>	§
	§

APPELLANT’S DESIGNATION OF RECORD ON APPEAL AND STATEMENT OF ISSUES TO BE PRESENTED PURSUANT TO FED. R. BANKR. P. 8006

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, the Official Committee of Unsecured Creditors (the “Committee”) of Propex Inc. (“Propex”) and its affiliated debtors and debtors in possession (collectively with Propex, the “Debtors”), by and through its undersigned counsel, hereby respectfully submits its designation of record on appeal

and statement of issues with respect to the Order regarding that certain adversary proceeding styled *The Official Committee of Unsecured Creditors of Propex Inc. et al., v. BNP Paribas, as Administrative Agent Under the Credit Agreement Dated as of January 31, 2006*, Adv. Proc. No. 08-01136 (JCC) (the “BNP Adversary Proceeding”) and the Dismissal of Counts 3, 4, and 5 of the BNP Adversary Proceeding (the “Order”) entered by the United States Bankruptcy Court for the Eastern District of Tennessee, Southern Division (the “Bankruptcy Court”) in Adv. Proc. No. 08-01136 on March 4, 2009.

I. DESIGNATION OF DOCUMENTS TO BE INCLUDED IN RECORD ON APPEAL

The Committee submits the items listed in Chart A for inclusion in the record on appeal.

II. STATEMENT OF ISSUES ON APPEAL¹

1. Did the Bankruptcy Court err as a matter of law by dismissing Count 3 of the BNP Adversary Proceeding and holding that the tort of deepening insolvency does not state a valid claim under the Tennessee law?

2. Did the Bankruptcy Court err as a matter of law by dismissing Count 4 of the BNP Adversary Proceeding and finding that (a) the originally filed UCC financing statements were sufficient to perfect the Lenders’ security interests in the Debtors’ estate and (b) the re-perfection of security interests effectuated by filing UCC amendments did not constitute a transfer of value for purposes of fraudulent conveyance law?

¹ Capitalized terms used herein shall have the same meaning ascribed to such terms in the Committee’s complaint filed with the Bankruptcy Court on September 23, 2008.

3. Did the Bankruptcy Court err as a matter of law by dismissing Count 5 of the BNP Adversary Proceeding and finding that the UCC financing statement originally filed against the Berrien County Georgia Property was sufficient to perfect the Lenders' security interest in the Berrien County Georgia Property?

CHART A: RECORD ON APPEAL

	Filing Date	Docket No.	Description
1.	09/23/2008	1.	Complaint
2.	09/23/2008	2.	Request Summons To Be Issued On Defendant BNP Paribas
3.	09/24/2008	4.	Summons Issued on BNP Paribas Date
4.	10/02/2008	5.	Summons Service Executed on BNP Paribas
5.	10/24/2008	6.	Motion For Agreed Order Extending Time for Defendant to Move, Answer or Otherwise Plead
6.	10/27/2008	7.	Order Granting Motion For Agreed Order
7.	11/24/2008	9.	Motion to Dismiss Counts I, III, IV, V and VI of the Official Committee of Unsecured Creditors' Complaint for Failure to State a Claim Upon Which Relief Can Be Granted
8.	11/24/2008	10.	Memorandum (RE: related document(s) <u>9</u>) (Attachments: # <u>1</u> Exhibit A-Credit Agreement# <u>2</u> Exhibit B-Second Amendment to Credit Agmt# <u>3</u> Exhibit C-Security Agmt)
9.	12/15/2008	11.	Reply to Motion to Dismiss Counts I, III, IV, V and VI of the Official Committee of Unsecured Creditors' Complaint for Failure to State a Claim Upon Which Relief Can Be Granted
10.	12/29/2008	12.	Tendered proposed Order Granting BNP Paribas' Motion to Dismiss Counts I, III, IV, V and VI of the Official Committee of Unsecured Creditors' Complaint for Failure to State a Claim Upon Which Relief Can Be Granted
11.	12/30/2008	13.	Tendered proposed Order Granting BNP Paribas' Motion to Dismiss Counts I, III, IV, V and VI of the Official Committee of Unsecured Creditors' Complaint for Failure to State a Claim Upon Which Relief Can Be Granted
12.	03/05/2009	14.	Memorandum Opinion
13.	03/05/2009	15.	Order Granting Defendant's Motion to Dismiss Counts I, III IV and V of the Complaint and Denying Defendant's Motion to Dismiss Count VI of the Complaint
14.	03/12/2009	18.	Notice of Appeal From the Order Regarding the Dismissal of Counts III, IV, and V of the BNP Adversary Proceeding

Respectfully submitted this 23rd day of March 2009

/s/ Abid Qureshi

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